



Joseph P. Bort MetroCenter
101 Eighth Street
Oakland, CA 94607-4700
TEL 510.817.5700
TDD/TTY 510.817.5769
FAX 510.817.7848
E-MAIL info@mtc.ca.gov
WEB www.mtc.ca.gov

Memorandum

TO: BATA Oversight Committee

DATE: January 7, 2015

FR: Executive Director

W.I. 1254

RE: Contract Amendment – Credit Card Processing Services for the FasTrak® Electronic Toll Collection Program: Bank of America Merchant Services (\$2,000,000)

Staff requests that the Committee amend the contract encumbrance with Bank of America Merchant Services for credit card processing services from \$11,000,000 to \$13,000,000 for FY 2014-15 and for each year remaining under the contract through FY 2016-17, subject to the approval of future BATA Toll Bridge Program Operating budgets.

Background

In April 2012, this Committee authorized a five-year master contract with a two-year extension option to Bank of America Merchant Services to process credit card payments and provide banking services for the FasTrak® program. The contract covers payments to participating credit card companies, including American Express, Visa, Mastercard and Discover, in addition to Bank of America Merchant Services.

The original contract encumbrance of \$10,000,000 annually was increased by this Committee in May 2014 to \$11,000,000 annually. However, even that amount will be exceeded during FY 2014-15. During the first four months, transactions increased by 12%. Processing costs have increased by 10%. At current trends, staff projects the annual costs to be just under \$13,000,000 by the end of FY 2015-16.

Recommendation

Staff recommends that the Committee authorize the Executive Director or his designee to amend the contract encumbrance with Bank of America Merchant Services for credit card processing services to add \$2,000,000 in FY 2014-15 and to increase the encumbrance in each of the remaining years of the initial contract term by \$2,000,000 for a total amount not to exceed \$13,000,000 annually through FY 2016-17, subject to the approval of future BATA Toll Bridge Program Operating budgets.



Steve Heminger

REQUEST FOR COMMITTEE APPROVAL
Summary of Proposed Contract Amendment

Work Item No.:	1254
Consultant:	Bank of America Merchant Services, Spokane Washington
Work Project Title:	Credit Card Processing Services for Electronic Toll Collection (ETC)
Purpose of Project:	To provide banking and credit card processing services
Brief Scope of Work:	To provide banking and credit card processing services for the ETC program for the combined FasTrak® Regional Customer Service Center operations for the state-owned bridges, the Golden Gate Bridge, Bay Area Express Lanes, and for parking transactions at the San Francisco International Airport garages.
Project Cost Not to Exceed:	This amendment – \$2,000,000 Current contract amount for FY 2014-15 before this amendment – \$11,000,000 Maximum contract amount for FY 2014-15 after this amendment – \$13,000,000 \$13,000,000 annually from FY 2015-16 through FY 2016-17.
Funding Source:	BATA Toll Bridge Program Operating Budget
Fiscal Impact:	Funds for FY 2014-15 are included in the Toll Bridge Program Operating Budget for FY 2014-15. Funds for future fiscal years are subject to the approval of future BATA budgets.
Motion by Committee:	That the Executive Director or his designee is authorized to amend the contract encumbrance for the contract with Bank of America Merchant Services for FY 2014-15, as described above and in the Executive Director’s memorandum dated January 7, 2015, and the Chief Financial Officer is directed to set aside funds in the amount of \$2,000,000 for such amendment; and that the Committee further authorizes an annual encumbrance of \$13,000,000 from FY 2015-16 through FY 2016-17 for the contract, subject to the approval of future BATA budgets.
BATA Oversight Committee:	<hr/> Tom Bates, Vice Chair
Approved:	Date: January 14, 2015